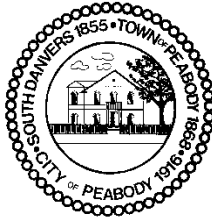


CITY OF PEABODY

**24 LOWELL STREET
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OFFICE OF THE MAYOR EDWARD A. BETTENCOURT, JR.

June 1, 2023

**Honorable Members of the City Council
Peabody City Hall
24 Lowell Street
Peabody, Massachusetts 01960**

Honorable Members:

In accordance with Section 32 of Chapter 44 of the Massachusetts General Laws, I hereby submit to your Honorable Body my recommendations for the City of Peabody's Fiscal 2024 Operating Budget.

Over the past few months, I have worked with our department heads and school officials to produce a balanced budget which provides the outstanding municipal services our residents and business owners expect while maintaining Peabody's affordability and quality of life.

This FY2024 budget of \$187,216,576 represents an increase of \$12,798,850 from FY2023. Approximately 40% or \$5.1 million of this increase is funded by additional net state aid, including \$4.2 million in Chapter 70 aid to education. This budget continues our progress of restoring to pre-pandemic levels staffing in public safety, public services, and other departments to meet the needs of our growing city. Revenue has improved in several categories, including hotel and meals taxes, and landfill fees. Federal relief provided by The American Rescue Plan Act (ARPA) will continue to be utilized for revenue replacement but is reduced from \$2.5 million in FY2023 to \$1.5 million in FY2024. It is anticipated that our final draw from ARPA will be \$1,000,000 in FY2025.

The majority of the FY 2024 Budget increase is attributed to a \$7.8 million increase in education spending, which is primarily funded through \$5.3 million in additional Chapter 70 state aid. This increase funds critical programs and allows for new initiatives to address the growing needs of our students.

The City side of the budget increase of \$5 million is primarily driven by increased investment in Public Safety (\$1,711,576); Health Insurance (\$900,000); Retirement Funding (\$863,504); Debt Service (\$473,275); Facilities (\$410,826); Assessors (\$211,338); Liability Insurance (\$200,000); School Health (\$152,772); and Information Technology (\$150,202). This budget also includes salary increases based on our collective bargaining for FY2023-FY2025. Negotiations are in the final stages with most unions nearing or have reached agreement.

This budget does not include the position of assistant assessor which helps offset additional costs for outside services for real estate and personal property inspections required by the State Department of Revenue. A clerical position in the Police budget was also not funded and a correction was made in the Streets budget resulting in a reduction of one position. There is an additional 10% shift of the public services accounts payable clerk salary and 20% of the payroll clerk is shifted to Water Enterprise. This budget also includes two new positions for the Children's Museum. For the past several budgets the cemetery secretary was incorrectly included in a part-time budget. This has been corrected to be listed as full-time. Three full-time administrative assistants to school nurses that were fully grant funded in FY2023 are now only partially grant funded. In addition, three positions are being added to the Council on Aging but there is no budget impact to the city since the salary portion of the Council on Aging payroll budget is being submitted with no increase from FY 2023.

The proposed personal services changes are outlined below:

Positions Added	Budget Impact
Museum Community Engagement Manager 45,760 Partially Offset by Fees 68%	14,643
Museum Visitor Experience Associate & Program Manager 45,760 Partially Offset by Fees 68%	14,643
Cemetery Secretary Correction	12,067
3 Administrative Assistants to School Nurses Total Cost 120,108 with 20,000 grant offset	100,108
Total	141,461
COA – 1Custodian, 2 Bus Drivers, 1 Heath Aide 123,180 Costs Covered by COA No Budget Impact	
Positions Reduced	Budget Impact
Assistant Assessor	-62,737
Police Clerk	-51,207
DPS -Correction	-54,350
DPS-Clerical to Water Enterprise	-18,500
Total	-186,794

In addition, the requested ordinance 3% increase for FY2023-FY2025 includes adjustments to salary levels for the following budgeted positions:

Secretary, Board of Appeals; Secretary, Planning Board; Assistant Farm Stand Manager; Parking Clerk; Confidential Administrative Assistant Police Payroll; Confidential Executive Assistant Police; Benefits Manager; Payroll/Worker Comp Coordinator; Executive Assistant to the Mayor; Superintendent Parks & Forestry; Public Health Nurse Administrator; Director of IT; and Director of Health, Human & Social Services.

Also, the following grant funded positions have been added to the ordinance as part of the Social Services Opioid Response Division/Program:

Director Division of Social & Substance Abuse Services; Mental Health Substance Abuse Clinician; and Care Coordinator Behavioral Health & Substance Use.

The proposed FY 2024 budget will be funded through a combination of increased local receipts, state aid, ARPA revenue replacement, reserves, and an increase in the tax levy.

Thank you for your thoughtful consideration of this budget proposal and for your ongoing commitment to the City of Peabody. I look forward to discussing the budget with you and answering all of your questions at the upcoming budget hearings.

Respectfully submitted,



**Edward A. Bettencourt, Jr.
Mayor, City of Peabody**